

FEDERAL LAW ENFORCEMENT TRAINING CENTER
DEPARTMENT OF THE TREASURY



FINANCIAL

FRAUD

INSTITUTE

Training ★ Technology ★ Vision

SYLLABUS

FINANCIAL FORENSICS TECHNIQUES TRAINING PROGRAM (FFTTP)

September 2000

**FINANCIAL FORENSIC TECHNIQUES TRAINING PROGRAM
TABLE OF CONTENTS**

HISTORY AND PURPOSE OF THE FFTTP	2
ADMINISTRATION	3
Length of Program	3
Standard Daily Schedule	3
Program Cost	3
Location	3
Qualifications for Attendance	4
Student Evaluation	4
ADDITIONAL INFORMATION	4
PARTICIPATING AGENCIES	5
PROGRAM SUMMARY	8
PROGRAM OF INSTRUCTION	
Arson for Profit	10
Concealed Income Analysis	11
Domestic and International Money Movement	12
Financial Evidence, Documentation, Assimilation & Presentation	13
Financial Search Warrants	14
Fraud and Money Laundering Statutes	15
Fraud within the Accounting System	16
Fraudulent Real Estate Transactions	17
Forensic and Investigative Accounting	18
Planned Business Failures	19
Sham/Shell Corporations	20
Tracing Funds Through Financial Institutions	21
Trust Accounts and Misappropriation of Trust Funds	22
COURSE INFORMATION	23
SAMPLE SCHEDULE	24

GENERAL INFORMATION

HISTORY AND PURPOSE OF THE FINANCIAL FORENSIC TECHNIQUES TRAINING PROGRAM (FFTTP)

One of the most difficult problems an investigator faces in prosecuting sophisticated financial crimes is explaining to the Assistant U.S. Attorney (AUSA) the significance of various accounting documents. If the AUSA is to convince the jury that the defendant is guilty of various accounting documents. If the AUSA is to convince the jury that the defendant is guilty of a specified crime, he or she must understand and appreciate not only the significance of the accounting documents, but how they are related and how the substantiate the elements of the crime. In a complex case, especially one involving fraud and money laundering, this problem can be compounded by the need to present hundreds of exhibits to prove individual financial transactions.

Due to many requests for a program that explains the relationship among, and purpose of, many accounting documents, the FFI staff developed the FFTTP. Geared for the journey-level financial investigator in Federal law enforcement, the program offers investigative tips and techniques that can be applied to the most sophisticated financial crimes.

Topical areas addressed in FFTTP include the following:

- Fraud and Money Laundering Statutes (elements of proof required for each statute)
- Accounting System Documents
- Types of Financial Frauds and Schemes (including arson, fraudulent real estate schemes, planned business failures, use of stocks, bonds, and commodities, and the use of sham/shell corporations)
- Exposing Concealed Income
- Net Worth Analysis and Financial Calculations
- Printing Relevant Reports

ADMINISTRATION

Applicants should contact the Federal Law Enforcement Training Center, (FLETC), Scheduling and Allocation Division at (912) 267-2421 for enrollment information. Upon acceptance into a program, a confirmation letter with details on housing, transportation, and schedules will be mailed to the participant.

All training participants will report to the assigned classroom by 7:30 A.M. on the first day of training and should check in at the FLETC Registration office the previous evening. The FLETC reserves the right to deny participation to anyone with an unexcused late arrival.

Length of Program

The training program is two weeks in duration and has a total of 73 course hours.

Standard Daily Schedule

Morning Session	07:30 A.M. - 11:30 A.M.
Lunch	11:30 A.M. - 12:30 P.M.
Afternoon Session	12:30 P.M. - 04:30 P.M.

On the last day of scheduled training, the training program will conclude at approximately 11:30 A.M. Due to FLETC transportation requirements, no airline departure should be scheduled earlier than 2:00 P.M. The FLETC reserves the right to deny graduation for any student departing from the training program early.

Program Cost

Fees cover all costs including room, board, materials and supplies. Participants are responsible for their own transportation expenses to FLETC. Since costs vary from year to year, the participant fee for programs is listed in the annual schedule of classes.

Location

All training is conducted at the FLETC, Glynco, Georgia, an interagency training facility located 6 miles north of Brunswick, Georgia and approximately 75 miles equidistant between Savannah, Georgia and Jacksonville, Florida. It is located near the beach resorts of St. Simons Island, Sea Island and Jekyll Island, Georgia. The climate is moderate and lends itself to year-round training.

Qualifications for Attendance

Criminal investigators, investigative aides, prosecutors, analysts and auditors who are likely to be involved with a financial fraud case as the primary target for this training program. Students should have some basic accounting and computer knowledge and skills prior to attending. Prerequisites for this program are:

- 1) Either of the two below:
 - (a) International Banking and Money Laundering Training Program (IBMLTP).
 - (b) Domestic Banking and Money Laundering Training Program (DMLTP).
(will be renamed in FY 1997 to Money Laundering and Asset Forfeiture Training Program (MLAFTP))

A one year grace period will be instituted to allow future prospective students to obtain either of the prerequisites.

Student Evaluation

Student will be evaluated by performing hands-on laboratory and practical exercises in the pertinent courses of instruction. Curriculum and course critiques will be solicited from the students for all segments of the program.

ADDITIONAL INFORMATION

Additional information concerning the Financial Forensic Techniques Training Program (FFTTP) may be obtained by contacting:

Federal Applicants:

FFTTP Coordinator
Financial Fraud Institute
Building 210, Room A-17
Federal Law Enforcement Training Center
Glynco, Georgia 31524

912/267-2314
912/267-2500 (FAX)

State/Local Applicants:

Director
Federal Law Enforcement Training Center
Office of State/Local Training
Glynco, Georgia 31524

912/267-2345 or 800/743-5382

PARTICIPATING AGENCIES

The following are the participating agencies at the Federal law Enforcement Training Center (FLETC):

EXECUTIVE BRANCH

AGRICULTURE

Forest Service

COMMERCE

National Institute of Standards and Technology

National Marine Fisheries Service

Office of Security

Office of Export Enforcement

HEALTH AND HUMAN SERVICES

Food & Drug Administration

National Institute of Health

INTERIOR

Bureau of Indian Affairs

Bureau of Land Management

Bureau of Reclamation

National Park Service

Office of Surface Mining, Reclamation & Enforcement

U.S. Fish and Wildlife Service

JUSTICE

Bureau of Prisons

Drug Enforcement Administration

Immigration and Naturalization Service

U.S. Marshals Service

STATE

Bureau of Diplomatic Security

TRANSPORTATION

Federal Aviation Administration

U.S. Coast Guard

TREASURY

Bureau of Alcohol, Tobacco and Firearms

Bureau of Engraving and Printing
Financial Crimes Enforcement Network (FinCEN)
Internal Revenue Service
U.S. Customs Service
U.S. Mint
U.S. Secret Service

PRESIDENT'S COUNCIL ON INTEGRITY AND EFFICIENCY

Inspector General Offices:

Agency for International Development
Department of Agriculture
Department of Commerce
Department of Defense
Department of Education
Department of Energy
Department of Health and Human Services
Department of Housing and Urban Development
Department of Interior
Department of Justice
Department of Labor
Department of State
Department of Transportation
Department of Treasury
Environmental Protection Agency
Federal Deposit Insurance Corporation
Federal Emergency Management Agency
General Services Administration
Government Printing Office
National Aeronautics and Space Administration
Nuclear Regulatory Commission
Office of Personnel Management
Railroad Retirement Board
Resolution Trust Corporation
Small Business Administration
Social Security Administration
United States Information Agency
Veterans Affairs

LEGISLATIVE BRANCH

CONGRESS

Government Printing Office
Library of Congress Police
U.S. Capital Police

JUDICIAL BRANCH**SUPREME COURT**

Supreme Court Police

INDEPENDENT**AMTRAK**

Northeast Corridor Police

CENTRAL INTELLIGENCE AGENCY

Office of Security

ENVIRONMENTAL PROTECTION AGENCY

Office of Criminal Investigations

FEDERAL EMERGENCY MANAGEMENT AGENCY

Security Division

GENERAL SERVICES ADMINISTRATION

Office of Federal Protective Service

SMITHSONIAN

National Zoological Park Police

Office of Protection Service

TENNESSEE VALLEY AUTHORITY

Office of the Inspector General

Public Safety Service

U.S. POSTAL SERVICE

Postal Inspection Service--Postal Police

PROGRAM SUMMARY

FINANCIAL FORENSIC TECHNIQUES TRAINING PROGRAM

- * Identify fraud and money laundering statutes and the elements of proof required for each statute.
- * Identify documents used in most accounting systems and their relationship to each other.
- * Identify various types of financial frauds and schemes including arson, fraudulent real estate schemes, planned business failures, use of stocks, bonds and commodities, and the use of sham/shell corporations.
- * Demonstrate the ability to expose concealed income and to perform Net Worth Analysis, to perform calculations and to print reports.

The course descriptions and objectives listed herein are presented in this format: course title, length and method of presentation, description, objectives and method of evaluation. The length of the courses are presented in hour and minute notations. The primary methods of presentation are listed in the following formats:

LECTURE/CLASSROOM: A training situation, indoors or outdoors, in which instructional material is being presented by an instructor.

LABORATORY: A training situation, indoors or outdoors, in which students are practicing skills under guidance of an instructor.

PRACTICAL EXERCISE: A training situation indoors or outdoors, in which students, under supervision/evaluation of an instructor(s), are participating in a law enforcement related scenario or performing a law enforcement related skill which may be graded.

PROGRAM OF INSTRUCTION

**FINANCIAL FORENSIC TECHNIQUES
TRAINING PROGRAM**

COURSE TITLE: Arson for Profit

LENGTH AND METHOD OF PRESENTATION:

<u>Lecture</u>	<u>Laboratory</u>	<u>Practical Exercise</u>	<u>Total</u>
2:00			2:00

DESCRIPTION:

This course will address how to identify situations which may indicate that arson for profit has occurred. It will demonstrate how to reconstruct and analyze business records which may have been destroyed by the arson.

TERMINAL PERFORMANCE OBJECTIVES:

The student will identify characteristics of businesses which may have made them subject to arson for profit schemes. Major characteristics of arson, such as the profitability of the business, the existence of an insurance policy, and the character of the businesses owners, and the origin of the fire as incendiary will be described.

INTERIM PERFORMANCE OBJECTIVES:

1. Identify the process of reconstructing business records which may have been destroyed in the fire.
2. Determine the profitability of the business and whether this may have provided a financial motive to commit arson.
3. Determine the existence (or lack of) an insurance policy.
4. Determine whether the origin of the fire was of an incendiary nature.

METHOD OF EVALUATION: Completion of course.

COURSE TITLE: Concealed Income Analysis: Net Worth, Source and Application, and Bank Deposit Methods

LENGTH AND METHOD OF PRESENTATION:

<u>Lecture</u>	<u>Laboratory</u>	<u>Practical Exercise</u>	<u>Total</u>
4:00		8:00	12:00

DESCRIPTION:

This course is designed to provide the investigator or analyst with existing and new techniques in analyzing and compiling financial records to determine the extent of concealed income. It begins with a perfunctory review of the different categories of accounts in the cycle (assets, liabilities, equity, income and expenses). The student is then introduced, using these categories, to the mechanics of preparation and analysis of the target's net worth. Focus is on how net worth might be used to formulate leads and act as evidence. The course then focuses on the same information for the preparation of the source and application of funds statement and bank deposits.

TERMINAL PERFORMANCE OBJECTIVES:

The student will describe the categories that must be analyzed to properly prepare a net worth, source and application, or bank deposit method of proof. Further, the student, using the categories discussed above, will evaluate asset acquisition and disposition, debt acquisition and liability payments, the sources of funds and their uses, in order to accurately determine the subjects concealed income.

INTERIM PERFORMANCE OBJECTIVES:

1. Describe the categories of financial accounts that must be examined to determine concealed income under any of the three separate methods of proof.
2. Describe the types of transactions to be evaluated in preparation of a net worth statement to determine increase (or decrease) in net worth and concealed income (if any).
3. Describe the type of transactions to be evaluated in preparation of the source and application of funds.
4. Describe the bank deposit method of proof.

METHOD OF EVALUATION: Demonstrated proficiency.

COURSE TITLE: Domestic and International Money Movement

LENGTH AND METHOD OF PRESENTATION:

<u>Lecture</u>	<u>Laboratory</u>	<u>Practical Exercise</u>	<u>Total</u>
4:00			4:00

DESCRIPTION:

This course of instruction gives the student a fundamental understanding of domestic and international money movement. To provide this understanding, the course focuses on common funds transfer mediums such as FEDWIRE, CHIPS, and SWIFT, as well as an in-depth review of the documentation associated with such transfers. The course of instruction will also provide the student with an understanding of how to identify funds transfer abuses. Incorporated in the discussion is the domestic and international banking framework and the role of the Federal Reserve.

TERMINAL PERFORMANCE OBJECTIVES:

The student will describe how funds are transferred domestically and internationally; understand the documentation characteristics of the systems used to effect funds transfers; and identify the opportunities that may exist for abuses to occur.

INTERIM PERFORMANCE OBJECTIVES:

1. List the various electronic and wire transfer systems and how these systems are used to transfer funds both domestically and internationally.
2. Describe the documentation associated with each of the wire transfer services; how the documentation might be obtained; and how the documentation might be utilized during an investigation.
3. Identify the common abuses of the domestic and international wire transfer systems.
4. Describe the framework of the domestic and international banking systems, including services performed by U.S. banks and the role of the U.S. Federal Reserve in the international system.

METHOD OF EVALUATION: Completion of course.

COURSE TITLE: Financial Evidence -- Documentation, Assimilation and Presentation

LENGTH AND METHOD OF PRESENTATION:

<u>Lecture</u>	<u>Laboratory</u>	<u>Practical Exercise</u>	<u>Total</u>
3:00			3:00

DESCRIPTION:

This course begins with a review of the Federal Rules of Evidence, and how they relate to financial investigations; followed by a presentation that describes multiple sources and methods that are available to identify, obtain and organize the financial evidence necessary for successful prosecution; concluding with effective methods of presenting the results of an investigation to a prosecutor.

TERMINAL PERFORMANCE OBJECTIVES:

The student will identify the provisions of the Federal Rules of Evidence, as they relate to financial investigations; be conversant with various avenues available for the retrieval and organization of financial information; and be knowledgeable as to how to effectively present a financial crimes case to a prosecutor.

INTERIM PERFORMANCE OBJECTIVES:

1. Define and describe the two categories of evidence.
2. Define and describe the crucial elements of the Federal Rules of Evidence.
3. Define hearsay, and understand the exceptions to the Hearsay Rule.
4. Describe the processes of authentication and identification.
5. List accessible sources of financial information, and procedures that can be utilized to obtain the information.
6. Describe methods used to organize financial evidence for effective presentation.
7. Describe the results of a financial crimes investigation to a prosecutor.

METHOD OF EVALUATION: Completion of course.

COURSE TITLE: Financial Search Warrants

LENGTH AND METHOD OF PRESENTATION:

<u>Lecture</u>	<u>Laboratory</u>	<u>Practical Exercise</u>	<u>Total</u>
2:00		2:00	4:00

DESCRIPTION:

This course will prepare the student to recognize the circumstances where a financial search warrant is appropriate, identify the facts that support "probable cause", draft an effective affidavit and identify the specific items to be seized.

TERMINAL PERFORMANCE OBJECTIVES:

The student will identify the situations for which a financial search warrant is appropriate; list the pertinent facts and appropriate circumstances that would support "probable cause"; and prepare an affidavit describing items to be seized.

INTERIM PERFORMANCE OBJECTIVES:

1. Identify potential sources of financial information.
2. Describe the circumstances under which a financial search warrant is appropriate.
3. Define "probable cause."
4. Describe the elements of an affidavit.
5. Describe specific items to be seized.

METHOD OF EVALUATION: Demonstrated proficiency.

COURSE TITLE: Fraud and Money Laundering Statutes

LENGTH AND METHOD OF PRESENTATION:

<u>Lecture</u>	<u>Laboratory</u>	<u>Practical Exercise</u>	<u>Total</u>
5:00			5:00

DESCRIPTION:

This course of instruction gives the student a basic understanding of the concepts surrounding money laundering and provides a historical summary of the statutes for cash reporting, money laundering and asset forfeiture. The course will focus on how and why the statutes have evolved and discuss the various currency reports required. The course will also provide the student with a basic understanding of the jurisdictional responsibility of the criminal investigator in money laundering cases and closes with a review of asset forfeiture provisions and how those statutes may be used in money laundering investigations.

TERMINAL PERFORMANCE OBJECTIVES:

At the conclusion of this course the student will be able to recognize the major schemes used to avoid currency reporting and some of the common misconceptions; be able to recognize specific statutory elements dealing with the recognition and prosecution of money laundering and define how these statutes can be used to develop a money laundering criminal case.

INTERIM PERFORMANCE OBJECTIVES:

1. Describe the common misconceptions about money laundering.
2. Define money laundering and its objectives.
3. Describe the statutory and regulatory sources governing currency reporting requirements.
4. Describe the required currency reports to be filed.
5. Define the jurisdictional responsibility of the criminal investigator in the examination and prosecution of money laundering cases.

METHOD OF EVALUATION: Completion of course.

COURSE TITLE: Fraud Within the Accounting System

LENGTH AND METHOD OF PRESENTATION:

<u>Lecture</u>	<u>Laboratory</u>	<u>Practical Exercise</u>	<u>Total</u>
4:00		4:00	8:00

DESCRIPTION:

This course of instruction gives the student hands-on application in the use of analytical accounting techniques to detect instances of financial crimes within the business records. A comprehensive practical exercise will be used to demonstrate these techniques. The course also encompasses the analysis of the two separate accounting phases and specific elements within those phases. It will identify where the crime is likely to occur, probable actions of the perpetrators and financial analysis techniques to detect and document the occurrence of the crime.

TERMINAL PERFORMANCE OBJECTIVES:

The student will, utilizing basic accounting principles, describe the two phases of accounting (sales, receivables, receipts, -- purchases, payables, payments) that must be analyzed to focus the investigation on fraudulent activity, or to substantiate allegations of criminal activity. Further, the student, using the categories discussed above, will evaluate the accuracy and validity of financial activities occurring within the two phases.

INTERIM PERFORMANCE OBJECTIVES:

1. Describe the two separate and distinct phases where evidence of financial crime will exist.
2. Describe specific categories of financial crimes that fall within the two phases of the system.
3. List specific accounts within the two phases where financial crimes are likely to occur.
4. Describe the process whereby the student can examine the accounting system to determine if the financial transactions are complete, valid, accurate and authentic.
5. Describe the process to be applied in determining the person or person(s) responsible for the occurrence of the financial crime.

METHOD OF EVALUATION: Demonstrated proficiency.

COURSE TITLE: Fraudulent Real Estate Transactions

LENGTH AND METHOD OF PRESENTATION:

<u>Lecture</u>	<u>Laboratory</u>	<u>Practical Exercise</u>	<u>Total</u>
4:00			4:00

DESCRIPTION:

This course will introduce students to basic real estate terms and processes. Terms include deeds, titles, various types of mortgages. Types of transactions used to perpetrate fraud will also be discussed. Numerous case studies illustrating the fraudulent transactions will be presented.

TERMINAL PERFORMANCE OBJECTIVES:

The student will describe the concept of normal real estate ownership transactions and processes and will identify the various documents in the process. They will identify possible fraudulent real estate activities and identify the elements of proof needed to prosecute fraudulent real estate transaction cases.

INTERIM PERFORMANCE OBJECTIVES:

1. Describe the common process for acquiring and transferring real estate.
2. Identify terms common to real estate transactions.
3. Describe common schemes used in fraudulent real estate transactions.
4. Describe the elements of proof necessary to prosecute fraudulent real estate transactions.

METHOD OF EVALUATION: Completion of course.

COURSE TITLE: Forensic and Investigative Accounting

LENGTH AND METHOD OF PRESENTATION:

<u>Lecture</u>	<u>Laboratory</u>	<u>Practical Exercise</u>	<u>Total</u>
6:00		8:00	14:00

DESCRIPTION:

This course of instruction gives the student a hands-on application in the use of analytical accounting techniques that would be useful in any financial investigations. The course starts out by introducing the student to the five categories of accounts that are used by any business. The student is then given a brief introduction to the accounting cycle and formal financial statements. The remainder of the course focuses on specific techniques to be used to go behind the source documents, behind the books and records to evaluate the authenticity and accuracy of the recorded transactions.

TERMINAL PERFORMANCE OBJECTIVES:

The student will define the five categories of accounts that are used by every business enterprise, how transactions affecting those five categories flow into the books and records and financial statements, and finally, the student will be able to determine how to go behind the source documents, behind the books and records, behind the financial statements to evaluate the authenticity and accuracy of the recorded transactions.

INTERIM PERFORMANCE OBJECTIVES:

1. Define the five categories of accounts used by any business.
2. Describe how transactions affecting these accounts flow into the books and records.
3. Describe how these transactions flow into the formal financial statements.
4. Describe how to go behind the source documents to determine the authenticity and accuracy of the recorded transactions and supporting financial statements.

METHOD OF EVALUATION: Demonstrated proficiency.

COURSE TITLE: Planned Business Failures

LENGTH AND METHOD OF PRESENTATION:

<u>Lecture</u>	<u>Laboratory</u>	<u>Practical Exercise</u>	<u>Total</u>
2:00			2:00

DESCRIPTION:

This course examines business failures that are planned so the perpetrator gains a benefit while the company, its creditors, and other parties suffer a loss. The course also examines the causes of fraudulent and non-fraudulent business failures with emphasis on the failures relating to fraud. The student will analyze two case studies that illustrate specific characteristics of planned business failures.

TERMINAL PERFORMANCE OBJECTIVES:

The student will recognize the characteristics of planned business failures and be knowledgeable of the techniques used to investigate such failures.

INTERIM PERFORMANCE OBJECTIVES:

1. Identify basic criminal/civil statutes regarding bankruptcy related planned business failures.
2. Describe causes of business failures.
3. Describe issues regarding planned business failures.
4. Describe investigative methodologies used to obtain evidence of planned business failures.

METHOD OF EVALUATION: Completion of course.

COURSE TITLE: Sham/Shell Corporations

LENGTH AND METHOD OF PRESENTATION:

<u>Lecture</u>	<u>Laboratory</u>	<u>Practical Exercise</u>	<u>Total</u>
2:00			2:00

DESCRIPTION:

As income from criminal activities increases, the possessors of such income resort to a variety of devices to avoid the discovery of such funds, and to shield it from taxation. One frequently used method for accomplishing this is the use of sham/shell corporations. The bank secrecy laws of many countries facilitate this. For example the Cayman Islands has more registered corporations than it has citizens. It also transfers over \$10 billion through confidential accounts annually.

TERMINAL PERFORMANCE OBJECTIVES:

The student will identify the characteristics of off-shore financial centers which facilitate the creation of sham/shell corporations. The motives for using such corporations will be identified. Laws which can be used to prosecute persons employing sham/shell corporations will be identified. The student will also identify the procedures and processes used to identify and document the financial transactions through such corporations.

INTERIM PERFORMANCE OBJECTIVES:

1. Define sham/shell corporations and identify their primary purpose.
2. Identify characteristics of off-shore financial centers which are conducive to the establishment of sham/shell corporations.
3. Identify how funds can be transferred through several sham/shell corporations.
4. Identify laws which may be used to counter the use of sham/shell corporations to launder or hide sources of money.
5. Identify processes and procedures used to investigate and prosecute the use of sham/shell corporations.

METHOD OF EVALUATION: Completion of course.

COURSE TITLE: Tracing the Flow of Funds Through Financial Institutions

LENGTH AND METHOD OF PRESENTATION:

<u>Lecture</u>	<u>Laboratory</u>	<u>Practical Exercise</u>	<u>Total</u>
4:00		4:00	8:00

DESCRIPTION:

This course gives the student a practical view of the flow of transactions into, through, and out of banks. The student will be acquainted with the two broad categories of banking transactions and the sub-elements making up those categories. The course also places a great deal of emphasis on which bank records to request, what those bank records are likely to reveal, and how to search the various records obtained.

TERMINAL PERFORMANCE OBJECTIVES:

The student will describe how funds flow in and out of the banking system, describe information that can be obtained from financial transactions, and list search techniques that will assist in uncovering evidence of improprieties.

INTERIM PERFORMANCE OBJECTIVES:

1. Describe the two different categories of banking transactions.
2. Describe the transaction flow into, through, and out of banks.
3. Describe the steps involved in obtaining bank records and some of the pitfalls to be avoided.
4. Describe what might be revealed by the different types of banking records.
5. Describe how the different types of bank records might be successfully searched.

METHOD OF EVALUATION: Demonstrated proficiency.

COURSE TITLE: Trust Accounts and Misappropriation of Trust Funds

LENGTH AND METHOD OF PRESENTATION:

<u>Lecture</u>	<u>Laboratory</u>	<u>Practical Exercise</u>	<u>Total</u>
2:00			2:00

DESCRIPTION:

The course of instruction will focus on the makeup of the trust accounting system. Specifically, the course will examine the source documents and books of accounts that comprise the accounting system and the differences between the accounting system and general accounting records. Additionally, the course will examine the methods by which the funds may be misappropriated and the analytical and investigative accounting techniques to be used in detecting and unmasking misappropriation of trust funds.

TERMINAL PERFORMANCE OBJECTIVES:

The student will describe the specialized accounting system used to record monies held in trust (by lawyers, mortgage brokers or real estate brokers) and compare it to general accounting systems. The student will analyze the trust accounting books of account and supporting documentation to investigate allegations of misappropriation of trust funds or to trace cash flows into and out of trust accounts.

INTERIM PERFORMANCE OBJECTIVES:

1. List the source documents and books of accounts that comprise the trust account system.
2. Compare and contrast trust account records and general account records.
3. Describe the methods by which trust funds may be misappropriated.
4. Describe the analytical and investigative accounting techniques to be used in detecting and unmasking misappropriation of trust funds.

METHOD OF EVALUATION: Completion of course.

COURSE INFORMATION

PROGRAM OF INSTRUCTION

FINANCIAL FORENSIC TECHNIQUES TRAINING PROGRAM

Hours of Instruction

<u>COURSE</u>	<u>LECTURE</u>	<u>LAB</u>	<u>PRACTICAL EXERCISE</u>	<u>TOTAL</u>
Arson for Profit	2:00			2:00
Concealed Income Analysis	4:00		8:00	12:00
Dom. & International Money Mvt.	4:00			4:00
Financial Evidence-- Doc., Assim., Pres.	3:00			3:00
Financial Search Warrants	2:00		2:00	4:00
Fraud and Money Laundering Statutes	5:00			5:00
Fraud within the Accounting System	4:00		4:00	8:00
Fraudulent Real Estate Transactions	4:00			4:00
Forensic and Investigative Accounting	6:00		8:00	14:00
Planned Business Failures	2:00			2:00
Sham/Shell Corporations	2:00			2:00
Tracing funds Through Financial Inst.	4:00		4:00	8:00
Trust Accounts	<u>2:00</u>			<u>2:00</u>
SUBTOTALS	44:00		26:00	70:00
 <u>Administrative Time:</u>				
Introduction/Orientation	1:00			
Graduation/Critiques	<u>2:00</u>			
SUBTOTAL	3:00			
 TOTAL PROGRAM LENGTH:				
Lecture:	44:00			
Laboratory:	00:00			
Practical Exercise:	26:00			
Administrative:	<u>3:00</u>			
TOTAL	73:00			

SAMPLE SCHEDULE

The following is a typical schedule for the

FINANCIAL FORENSIC TECHNIQUES TRAINING PROGRAM

FEDERAL LAW ENFORCEMENT TRAINING CENTER
FINANCIAL FORENSICS TECHNIQUES TRAINING PROGRAM
MASTER SCHEDULE

Room:	Week One				Coordinator: Mr. Adams
	Monday	Tuesday	Wednesday	Thursday	Friday
7:30 - 8:30	Welcome/Introduction <i>Mr. Adams</i>	Forensic and Investigative Accounting (Part I)	Business Fraud and UCC	Financial Evidence: Documentation	Concealed Income Analysis (Part I)
8:30 - 9:30	Tracing Funds Through Financial Institutions				
9:30 - 10:30					
10:30 - 11:30					
	<i>Mr. Adams</i>	<i>Mr. Adams</i>	<i>Guest</i>	<i>Mr. Ferri</i>	<i>Mr. Ferri</i> <i>Mr. Adams</i>
11:30 - 12:30	#####	#####	#####	#####	#####
12:30 - 1:30	FFTP Practical Exercise Part I)	FFTP Practical Exercise (Part II)	FFTP Practical Exercise (Part III)	Forensic and Investigative Accounting (Part II)	FFTP Practical Exercise (Part IV)
1:30 - 2:30					
2:30 - 3:30					
3:30 - 4:30					
	<i>FFI Staff</i>	<i>FFI Staff</i>	<i>FFI Staff</i>	<i>Mr. Adams</i>	<i>FFI Staff</i>
Afterhrs					

FEDERAL LAW ENFORCEMENT TRAINING CENTER
FINANCIAL FORENSICS TECHNIQUES TRAINING PROGRAM
MASTER SCHEDULE

Room:	Week Two				Coordinator: Mr. Adams
	Monday	Tuesday	Wednesday	Thursday	Friday
7:30 - 8:30	Concealed Income Analysis (Part II)	Domestic/International Money Movement	Financial Search Warrants	Tax Havens	Sham/Shell Corporations
8:30 - 9:30					
9:30 - 10:30					
10:30 - 11:30	Mr. Ferri Mr. Adams	Guest	Guest	Guest	Guest Closure/Graduation Mr. Adams
11:30 - 12:30	#####	#####	#####	#####	#####
12:30 - 1:30	FFFTP Practical Exercise (Part V)	Fraud Within the Accounting System - II (Cont'd)	FFFTP Practical Exercise (Part VI)	FFFTP Practical Exercise (Part VII)	
1:30 - 2:30					
2:30 - 3:30					
3:30 - 4:30	FFI Staff	Mr. Adams	FFI Staff	FFI Staff	
Afterhrs					